

Memorandum

October 29, 2001

Date:

U.S. Department of Transportation

Office of the Secretary of Transportation

Office of Inspector General

Subject: INFORMATION: Notification of Audit of Air

Transportation and Essential Air Services

Project No. 02C4002C000

From: Mark R. Dayton

Reply to JA-50

Attn of

Deputy Assistant Inspector General for

Competition, Economic, Rail, and Special Programs

To: Assistant Secretary for Aviation and International Affairs

The Air Transportation Safety and System Stabilization Act states that the "Secretary of Transportation should take appropriate action to ensure that all communities that had scheduled air service before September 11, 2001, continue to receive adequate air transportation service and that essential air service to small communities continues without interruption." Specifically, the Act authorizes the Secretary of Transportation ". . . to require an air carrier receiving direct financial assistance under [the] Act to maintain scheduled air service to any point served by that carrier before September 11, 2001." Based on the requirements of this Act and recent cuts in air service by most of the major air carriers, we are initiating this audit.

Our goal is to be proactive in monitoring the Department of Transportation's efforts to fulfill these responsibilities under the Act. Specifically, we will evaluate how routes are identified and tracked, what criteria are used to determine which routes to maintain and at what level of service, and what service-related agreements are established between the Department and relevant airlines. We will also monitor changes in the number of scheduled flights at small- and medium-sized airports. Finally, we will evaluate the Department's Essential Air Service program as authorized by the Act.

The audit will start early November 2001, with Darren Murphy serving as the Program Director. Our staff will contact the Department's audit liaison to arrange for an entrance conference. If you have any questions or require

additional information please contact me at (202) 366-9970, or Darren Murphy at (206) 220-6503.

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cc: Deputy Secretary of Transportation
Director, Bureau of Transportation Statistics
Assistant General Counsel for Aviation Enforcement
and Proceedings
Martin Gertel, M-1

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